

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF THE UNION LIGHT,)
HEAT AND POWER COMPANY FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE)
AND NECESSITY TO ACQUIRE CERTAIN)
GENERATION RESOURCES AND RELATED)
PROPERTY; FOR APPROVAL OF CERTAIN)
PURCHASE POWER AGREEMENTS; FOR)
APPROVAL OF CERTAIN ACCOUNTING)
TREATMENT; AND FOR APPROVAL OF)
DEVIATION FROM REQUIREMENTS OF)
KRS 278.2207 AND 278.2213(6))

CASE NO. 2003-00252

SUPPLEMENTAL REQUEST FOR INFORMATION
OF THE ATTORNEY GENERAL
TO UNION LIGHT HEAT AND POWER

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Requests for Information Union Light, Heat and Power to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness who will be prepared to answer questions concerning each request.

(3) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(4) If any request appears confusing, please request clarification directly from the Office of Attorney General.

(5) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(6) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(7) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(8) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(9) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

Respectfully Submitted,
A. B. CHANDLER, III
ATTORNEY GENERAL



ELIZABETH E. BLACKFORD
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Office for Rate Intervention
1024 Capital Center Drive, Suite 200
Frankfort, KY 40601
(502) 696-5358

CERTIFICATE OF SERVICE AND NOTICE OF FILING

I hereby give notice that this the 10th day of September, 2003, I have filed the original and ten copies of the foregoing with the Executive Director of the Kentucky Public Service Commission at 211 Sower Boulevard, Frankfort, Kentucky, 40601 and certify that this same day I have served the parties by mailing a true copy of same, postage prepaid, to those listed below.

JOHN J FINNIGAN ESQ
MICHAEL J PAHUTSKI ESQ
139 EAST FOURTH STREET
CINCINNATI OH 45201



Supplemental Request for Information
Of the Attorney General to Union Light,
Heat and Power Company
Case No. 2003-00252

- 2-1. Follow-up to KyAG-DR-01-55. This response did not include information on some of CG&E's jointly owned units (Conesville, Killen, Stuart). Please provide the requested information for all CG&E jointly-owned units that were not included in this response.
- 2-2. Follow-up to KyAG-DR-01-56. This response did not include information on some of CG&E's jointly owned units (Conesville, Killen, Stuart). Please provide the requested information for all CG&E jointly-owned units that were not included in this response.
- 2-3. Follow-up to KyAG-DR-01-56d. This exhibit shows the availability of the East Bend unit decreasing from 2000 to 2001, and again decreasing from 2001 to 2002. Please explain this downward trend and what effect this will have on the ability of ULH&P to meet its future energy needs should the sale of this unit be approved by the Commission.
- 2-4. Follow-up to KyAG-DR-01-67. Please provide the source for the figures given in this response and how the figures were calculated.
- 2-5. Follow-up to KyAG-DR-01-68, Attachments KyAG-DR-01-068-A & B. Do the costs in line "f" of these exhibits contain the fixed costs in the back-up power agreement?
- 2-6. Follow-up to KyAG-DR-01-68, Attachments KyAG-DR-01-068-B. For each of the figures in line "h" please provide:
 - a) The total revenues generated by these sales.
 - b) The total cost of the power sold.
 - c) The number of kwh's sold.
- 2-7. Follow-up to KyAG-DR-01-72. With respect to peak loads:
 - a) Non-Coincident peaks are listed. Is integrated planning done for the PSI-CG&E-ULH&P system jointly, or as three separate companies, with the results of the three separate plans simply summed together?
 - b) For each of the last 5 years, please supply the Coincident peaks for
 - i) The total PSI-CG&E-ULH&P system.
 - ii) The PSI system.
 - iii) The CG&E (Ohio) system.
 - iv) The ULH&P system.

- 2-8. Follow-up to KyAG-DR-01-75. The answer was not responsive with respect to Woodsdale. Please provide Mr. Ege's best assessment of the remaining life of the Woodsdale units.
- 2-9. Follow-up to KyAG-DR-01-79. What is the annual cost of ULH&P's membership in the MISO.
- 2-10. Follow-up to KyAG-DR-01-81. Does Ms. Rose concur with Ms. Jenner that a 16.4% reserve margin, decreasing to 15% in future years, is sufficient for ULH&P after the sale? If not, please explain why not.
- 2-11. Follow-up to KyAG-DR-01-68B and KyAG-DR-01-84. The figures for off-system sales in these two exhibits do not seem to match-up. For example Ms. Rose shows 428 GWH of off-system sales in 2007, while Ms. Jenner shows just 96 GWH. Please explain this difference and state which figures are accurate and/or should be used in this case.
- 2-12. Follow-up to KyAG-DR-01-101. After the proposed sale, ULH&P will be part of an integrated PSI-CG&E-ULH&P which will be planned for and dispatched together. Please explain why a reserve margin for ULH&P is being calculated separately, instead of as a part of an integrated system as Kentucky Power Company d/b/a American Electric Power is planned for as a part of the integrated AEP-East system.
- 2-13. Follow-up to KyAG-DR-01-101. For each of the last 5 years, please provide the following for the CG&E-ULH&P system:
- a) Company target reserve margin.
 - b) Installed generation in MW.
 - c) Time of system peak.
 - d) System coincident peak.
 - e) Capacity available at time of system peak.
- 2-14. Follow-up to KyAG-DR-01-101. Assuming the proposed asset transfer takes place in 2004, for the years 2004 through 2013, please provide the following:
- a) ULH&P projected load in MW.
 - b) ULH&P generating capacity in MW.
 - c) ULH&P target reserve margin.
 - d) ULH&P projected reserve margin.
 - e) Type and amount (in MW) of new capacity ULH&P expects to add in the year.
 - f) CG&E (Ohio) projected load in MW.
 - g) CG&E (Ohio) generating capacity in MW.
 - h) CG&E (Ohio) target reserve margin.
 - i) CG&E (Ohio) projected reserve margin.

- j) Type and amount (in MW) of new capacity CG&E (Ohio) expects to add in the year.
 - k) Target reserve margin for the PSI-CG&E-ULH&P system.
- 2-15. Follow-up to KyAG-DR-01-101. Under the proposed sale, ULH&P is required to have a back-up contract with CG&E to provide back-up power when the East Bend and Miami Fort 6 units are off-line. Please explain why the contract does not also provide ULH&P a payment when the ULH&P units provide back-up to CG&E when CG&E units are off-line?
- 2-16. Follow-up to KyAG-DR-01-102. In this response, one of the reasons given that ULH&P should buy the Woodsdale units is that they are part of a package that includes baseload capacity at "extremely attractive prices".
- a) Does this response mean that the only way CG&E will transfer attractive base load capacity to ULH&P is if ULH&P also takes expensive peaking capacity as part of a complete package.
 - b) Would CG&E agree that the cost of the Woodsdale units is rather high in the current market for combustion turbines?
- 2-17. Follow-up to KyAG-DR-01-104. This response mentions a load decrease resulting from electric choice in Ohio.
- a) Please supply the number of electric customers CG&E has lost in Ohio due to customer choice.
 - b) Please supply the number of electric customers CG&E has gained in Ohio due to customer choice.
 - c) Please supply the Kwh sales CG&E has lost in Ohio due to customer choice.
 - d) Please supply the Kwh sales CG&E has gained in Ohio due to customer choice.
 - e) Please supply the KW load CG&E has lost in Ohio due to customer choice.
 - f) Please supply the KW load CG&E has gained in Ohio due to customer choice.
 - g) Please provide the current load forecast for CG&E (Ohio).
- 2-18. Follow-up to KyAG-DR-01-104. This response refers to "a reasonable mix of generating assets. Under the proposed transfer of assets to ULH&P, 44% of its generating assets will be peaking capacity, while only 8% of CG&E's generation will be peaking capacity.
- a) Please provide any studies and calculations that demonstrate that 44% is the proper level of peaking capacity for ULH&P.
 - b) Please provide any studies and calculations that demonstrate that 8% is the proper level of peaking capacity for CG&E.

- c) Please explain how/why Cinergy planning has determined that “a reasonable mix of generating assets” for ULH&P should consist of five and a half times the percentage of peaking capacity that is appropriate for CG&E?
 - d) Please provide a list of all utilities in the Midwest region that have a generation mix consisting of 44% or higher peaking capacity.
- 2-19. Follow-up to KyPSC-DR-01-044a. With respect to “Selection of East Bend”, please explain why only the largest coal units were considered, instead of a mix of smaller units or larger units in which CG&E owns a minority interest.
- 2-20. Follow-up to KyPSC-DR-01-044a. With respect to “Selection of Woodsdale”
- a) Please explain why CG&E’s older units having lower book values were not considered.
 - b) Please explain why the only consideration included all 6 of the Woodsdale units rather than just the 3 units (about 280 MW) considered optimal in Ms. Jenner’s IRP analysis.
- 2-21. Follow-up to KyPSC-DR-01-044b. With respect to the only other option considered, a portion of Zimmer, please explain why only CG&E’s most expensive unit was considered rather than any other CG&E unit or unit in which CG&E owns a minority interest.
- 2-22. Follow-up to KyAG-DR-01-48. In Figure 1-4 on page 1-42 of the 1999 Cinergy IRP, projected New Resource Additions for CG&E are listed. This plan calls for 196 MW of new CT’s in 2003, 1106 MW of new CT’s in 2004, 289 MW of new CT’s in 2005, and 136 MW of new CT’s in 2006. Thus, this plan calls for CG&E to add 1727 MW of new CT’s by 2007, when ULH&P customer will begin paying for purchased capacity under the proposed asset transfer:
- a) How much of this capacity is currently under construction.
 - i) Where is it located?
 - ii) What is the capacity rating in MW?
 - iii) What is the projected cost of this capacity?
 - iv) What entity will own this capacity?
 - v) What is the expected completion date?
 - b) How much of this capacity is permitted but not yet under construction.
 - i) Where is it located?
 - ii) What is the capacity rating in MW?
 - iii) What is the projected cost of this capacity?
 - iv) What entity will own this capacity?
 - v) What is the expected completion date?
 - c) How much of this capacity has CG&E made commitment for that is not yet permitted or under construction.
 - i) Where is it located?

- ii) What is the capacity rating in MW?
 - iii) What is the projected cost of this capacity?
 - iv) What entity will own this capacity?
 - v) What is the expected completion date?
- d) For any capacity need projected in the IRP that isn't being met with new CT's, please provide a detailed description of how CG&E intends to meet the need.
- e) Could ULH&P take any of this planned capacity, instead of buying the Woodsdale units?
- 2-23. Follow-up to KyPSC-DR-01-003a. Please provide the industry studies demonstrating that turbines could be operated for longer intervals of time between major maintenance outages without any excessive deterioration in the efficiency of the units.
- 2-24. Follow-up to KyPSC-DR-01-004. The response states that ULH&P will acquire the right to use the currently unused landfill (after the currently used land fill is filled). Please provide any terms pertaining to the use of the new landfill, including any potential fees that ULH&P will be paying for the use.
- 2-25. Follow-up to KyPSC-DR-01-014. Please provide any studies, reports, cost analyses, etc. prepared regarding the potential use of cooling towers at Miami Fort 6.
- 2-26. Follow-up to KyPSC-DR-01-051a. Please provide Attachment KyPSC-01-051a as referred to in the response.
- 2-27. Follow-up to KyPSC-DR-01-051c. Please provide the workpapers supporting the estimated ADITC balance at June 30, 2004.
- 2-28. Follow-up to KyPSC-DR-01-053e. Please provide a copy of the depreciation study currently being prepared by Gannett Fleming as soon as it is complete.
- 2-29. Follow-up to KyAG-DR-01-016. Please explain the increase in net generation in 2001. Also, please explain the reason for the reduction in equivalent availability in 2002.
- 2-30. Follow-up to KyAG-DR-01-035. Please provide the requested information in electronic format, as originally requested.
- 2-31. Follow-up to KyAG-DR-01-043 CONFIDENTIAL. Please refer to the March 26, 2003 Advanced Turbine Support Gas Turbine Borescope Inspection Report for Woodsdale Unit 5 provided in the response. Also refer to the June 17, 2000 Capital Expenditure Authorization (bates pages 01-02) that is directly behind the Inspection Report.

- a) Was the Major "C" overhaul requested in the Capital Expenditure Authorization performed? If so, when was it performed?
- b) If the overhaul was performed, did it include the items listed in the Inspection Report?
- c) Please provide all reports relating to this overhaul and the actual costs incurred.
- d) If the items listed in the Inspection Report were overhauled during the overhaul, please explain how they came to be in such poor condition by the 2003 inspection.

2-32. Follow-up to KyAG-DR-01-045. Please provide un-redacted versions of the material provided in the response.

2-33. Follow-up to KyAG-DR-01-045. Please provide the "ULH&P Elec. Supply" presentation discussed on bates page 000282 of the response.